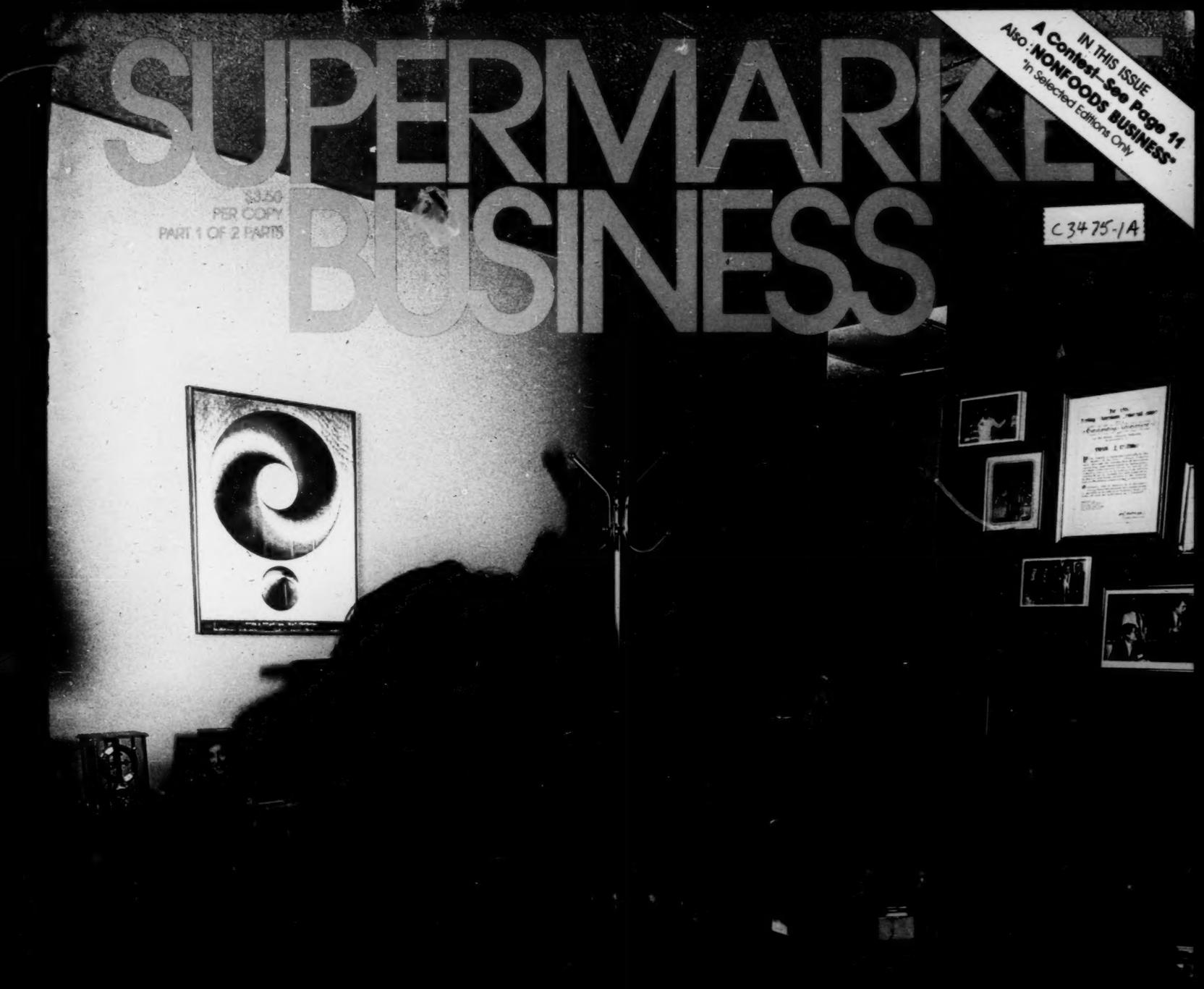
SUPERMARKET BUSINESS

$3.50
PER COPY
PART 1 OF 2 PARTS

IN THIS ISSUE
A Contest—See Page 11
Also: **"NONFOODS BUSINESS"**
In Selected Editions Only

C3475-1A



THE CHANGING
WHOLESALER/INDEPENDENT RELATIONSHIP:
WHAT MAKES A RETAILER SWITCH?

LOCAL & VOCAL: SAVANNAH'S M&M SUPER MARKETS
INVASION OF THE INSTORE ADVERTISERS

PUBLISHER:
Jeffrey A. Schaeffer

EDITOR/ASSOCIATE PUBLISHER:
Kenneth P. Parich

SENIOR EDITOR:
Douglas T. Harris, Jr.

MANAGING EDITOR:
Robert J. Hughes

ASSOCIATE EDITORS:
Kevin Coupe
Marianne Skoczek

EDITORIAL ASSISTANT:
Caroline Craig

ART DEPARTMENT:
Karen Sockler

INSTORE BUSINESS/SPECIAL PROJECTS CONTRIBUTING EDITOR:
Robert F. Dietrich

CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson, John Francis**
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**

CIRCULATION DIRECTOR:
Virginia Bucci Posner

PRODUCTION MANAGER:
Dorothy Gardner

DIRECTOR OF PUBLICATION RESOURCES AND RESEARCH:
Norman Bussel
914-528-1369

CORPORATE MARKETING SERVICES DIRECTOR:
Carol Fensholt

ADVERTISING SALES:

EAST:
SOUTHEAST REGIONAL SALES MANAGER:
Peter Beyrent

NORTHEAST REGIONAL SALES MANAGER:
Jerry Whitman

EAST COAST SALES MANAGER:
Maggie McAleer

Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036

CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard

MIDWEST REGIONAL SALES MANAGER:
George Stevens

Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318

WEST COAST:
Sue Marritt

Fieldmark Media, Inc.
16133 Ventura Blvd., Suite 700
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169

PRESIDENT:
Jeffrey A. Schaeffer

VICE PRESIDENT, FINANCE:
Eric Braunstein

VICE PRESIDENT, ADMINISTRATION:
Catherine Cahill

VICE PRESIDENT, EDITORIAL:
Kenneth P. Parich

AFFILIATED PUBLICATION:
Milling & Baking News
Kansas City, Mo.

COVER PHOTOGRAPHY:
Tony Curatola

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: 212-354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $35 per year; Canada, $40 per year. Foreign subscriptions $48 (seamail), $198 (airmail), per year. Single copies $3.50 except Consumer Expenditures Study (September issue) $20 per copy. (Discount prices available on multiple purchases.)
Copyright © 1985 Fieldmark Media, Inc. All rights reserved.
Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

SUPERMARKET BUSINESS

PART ONE OF TWO PARTS

VOLUME 40
NUMBER 3
MARCH 1985

THE CHANGING WHOLESALER-INDEPENDENT RELATIONSHIP 19
WHAT MAKES A RETAILER SWITCH?/A STAFF REPORT

When it comes to deciding what makes the relationship between wholesalers and their independent retailers work, it seems that both parties agree to disagree. Results of this survey reveal some surprising similarities of thought, and some startling differences in what is most important in today's competitive climate.

INVASION OF THE INSTORE ADVERTISERS 29
KEVIN COUPE, ASSOCIATE EDITOR

There's a new breed of advertiser going into the supermarket, with aggressive new methods of garnering sales, from radio to three-dimensional pictures, that just about fall short of grabbing customers by the throat and forcing them to buy.

NONFOODS BUSINESS* FACING PAGE 36
DO SUPERMARKETS CARE ABOUT QUALITY IN KITCHENWARES?/MARIANNE SKOCZEK, ASSOCIATE EDITOR

The changing American kitchen, with its emphasis on convenience and bold new colors, has caught on in fine stores. But has it at supermarkets? At least a few forward-thinking supermarket operators think that a well-selected, quality kitchenwares program is worth the effort—in both image and profits.

LOCAL & VOCAL: SAVANNAH'S M&M CHAIN KEEPS THE COMPETITION AT BAY/KEVIN COUPE 39

With an image as both price and community leader, locally owned M&M has maintained a loyal clientele—both rich and poor—despite sturdy opposition from the big boys.

CHECKOUT: POP GO THE PROFITS 48
DOUG HARRIS, SENIOR EDITOR

Bells Bazaar in upstate New York has added freshly popped popcorn to its bulk section. It keeps the customer satisfied—and shopping.

OTHER FEATURES AND COLUMNS

EDITOR'S VIEW 5
WASHINGTON BRIEF 7
TRADESCAN 11
TECHNOLOGY 13
EXECUTIVE MOVES 33
PRODUCE 35
NEW PRODUCTS 47

THE CHANGING WHOLESALER/INDEPENDENT RELATIONSHIP:

WHAT MAKES A RETAILER SWITCH?

What are wholesalers working to improve? Do retailers consider these things important? The two groups tend to agree to disagree.

The changing competitive marketplace in the retail grocery industry is causing repercussions back through the entire distribution system. How this affects the wholesaler/independent retailer relationship is becoming more and more apparent. To get a more accurate reading of this situation, SUPERMARKET BUSINESS, in cooperation with the National-American Wholesale Grocers Assn. (NAWGA), conducted a survey of both retailers and their wholesalers to gauge the *relative changes in importance* of 11 critical factors.

This survey shows that while both wholesalers and independent retailers understand the issues and the dynamics of today's problems, they do not fully agree on their relative magnitude or on priorities in dealing with them. (It should be understood that numerical, percentage and ranking responses are not infallible methods of gauging complex interconnected problems and concerns. For example, what appears to be a short-term crisis, such as super warehouse stores and super combination stores, may require long-term solutions.)

How much, then, do wholesalers and retailers agree or disagree on the changing importance of specific problems and specific needs? Independent retailers, for example, quite naturally are very concerned about competition that may threaten their very existence. On the other hand, the wholesaler may be more concerned with the directions of the market in general, since this will affect his operating future.

When asked to rate the factors that are changing in importance in the wholesaler/retailer relationship, both groups agree strongly on three:

- ☐ Help in countering competition from new, larger, price-aggressive stores.
- ☐ Technical support systems (scanners/DSD/microcomputers).
- ☐ Merchandising/ad/promo support.

Even though the two groups do not rank these top three factors in the same order, they are so intimately connected that the order of stated importance is not necessarily critical. But it is significant that the independents rate merchandising/ad/promo support as the factor changing most in importance in the relationship. The fourth most important factor for independents is "help in establishing new store formats." This is seventh on the list for wholesalers.

"Financial assistance," which is often spoken of as high among independents' needs, is ranked tenth by independents, and sixth by wholesalers. Both groups place "private label/generics programs" last, or eleventh. Just a few years ago, this would probably have headed both lists.

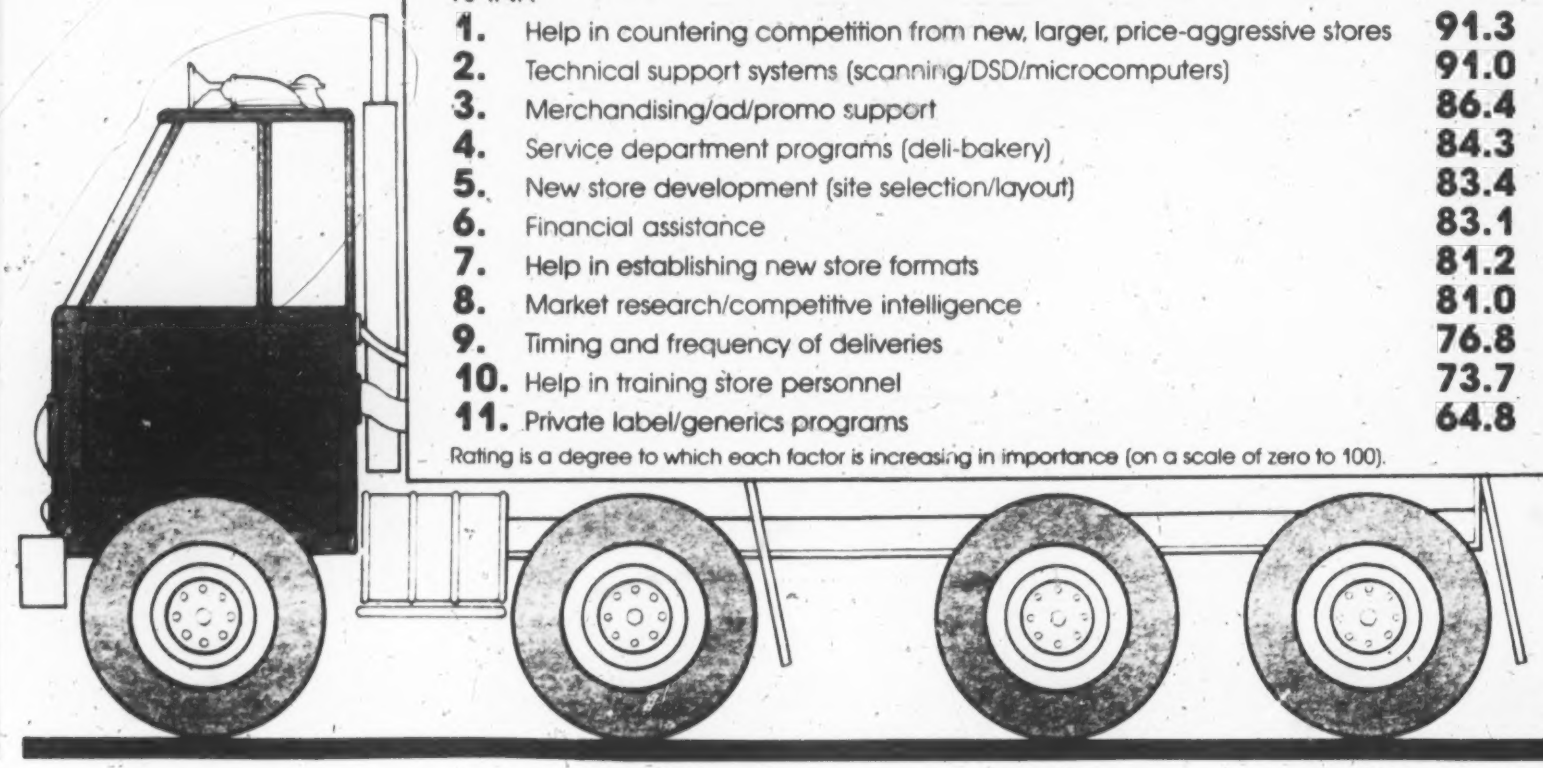
Text continued on p. 22

VOLUNTARY WHOLESALERS

Based on your own experience, to what degree do you find these factors in the wholesaler-independent relationship are changing in importance?

RANK		
1.	Help in countering competition from new, larger, price-aggressive stores	91.3
2.	Technical support systems (scanning/DSD/microcomputers)	91.0
3.	Merchandising/ad/promo support	86.4
4.	Service department programs (deli-bakery)	84.3
5.	New store development (site selection/layout)	83.4
6.	Financial assistance	83.1
7.	Help in establishing new store formats	81.2
8.	Market research/competitive intelligence	81.0
9.	Timing and frequency of deliveries	76.8
10.	Help in training store personnel	73.7
11.	Private label/generics programs	64.8

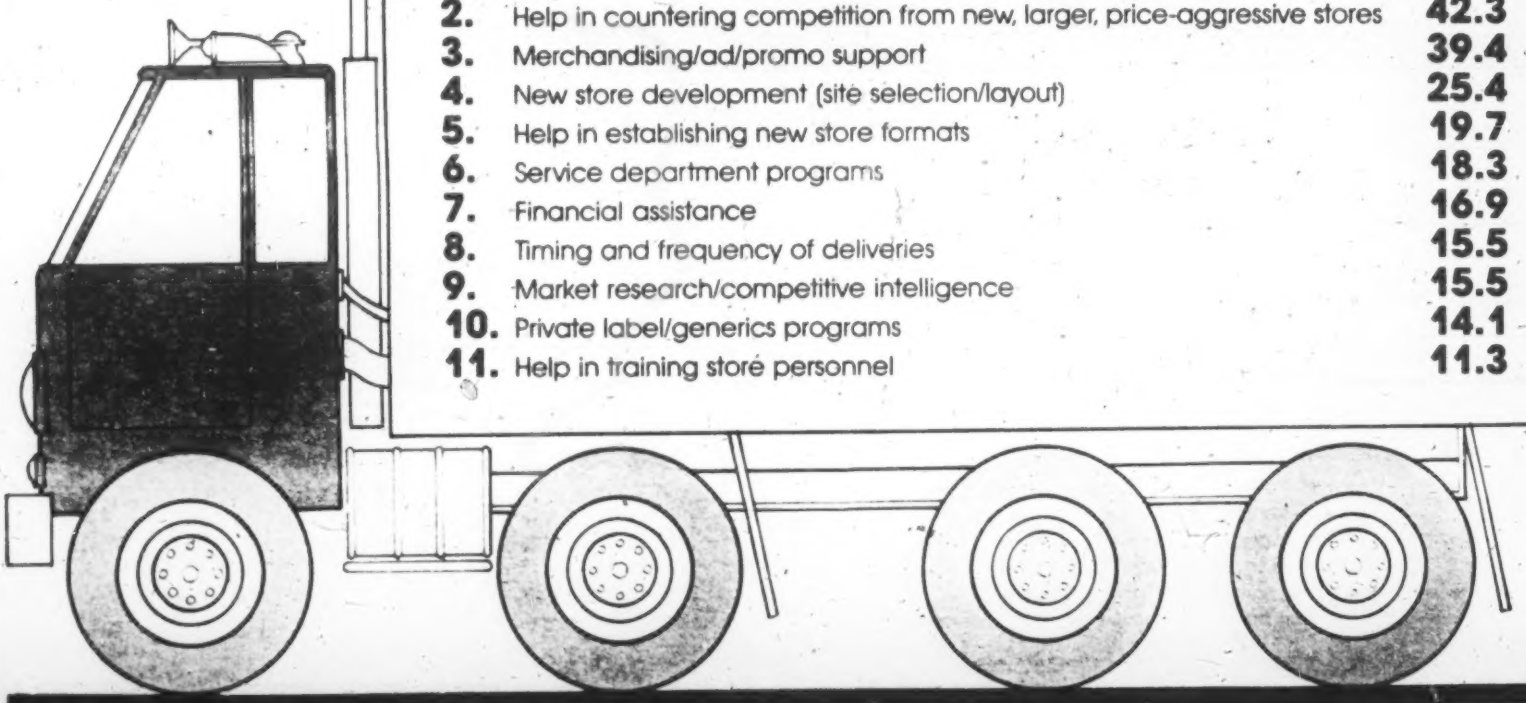
Rating is a degree to which each factor is increasing in importance (on a scale of zero to 100).



VOLUNTARY WHOLESALERS

What two or three factors are you making a special effort to improve or expand?

RANK		%
1.	Technical support systems (scanning/DSD/microcomputers)	64.8
2.	Help in countering competition from new, larger, price-aggressive stores	42.3
3.	Merchandising/ad/promo support	39.4
4.	New store development (site selection/layout)	25.4
5.	Help in establishing new store formats	19.7
6.	Service department programs	18.3
7.	Financial assistance	16.9
8.	Timing and frequency of deliveries	15.5
9.	Market research/competitive intelligence	15.5
10.	Private label/generics programs	14.1
11.	Help in training store personnel	11.3



Drawings by Al Herring

SUPER

INDEPENDENTS VOLUNTARY AFFILIATION

Based on your own experience, to what degree do you find these factors in the wholesaler-independent relationship are changing in importance?

RANK		
1.	Merchandising/ad/promo support	81.5
2.	Technical support systems (scanning/DSD/microcomputers)	81.5
3.	Help in countering competition from new, larger, price-aggressive stores	79.3
4.	Help in establishing new store formats	78.6
5.	Market research/competitive intelligence	76.5
6.	Service department programs (deli-bakery)	75.9
7.	New store development (site selection/layout)	75.6
8.	Timing and frequency of deliveries	74.2
9.	Help in training store personnel	70.0
10.	Financial assistance	67.4
11.	Private label/generics programs	56.3

Rating is a degree to which each factor is increasing in importance (on a scale of zero to 100).

FOOD CENTER

Independents and wholesalers agree on the changing importance of the first three items listed in the two charts above, although each group places a different emphasis on them. There are some big differences in what wholesalers and retailers think, however: while many wholesalers consider financial assistance fairly important, independents place it near the bottom of their list. Note that both groups place little emphasis on the importance now of private label/generics programs, which a few years ago would probably have been near the top of both lists.

SUPER

INDEPENDENTS VOLUNTARY AFFILIATION

What two or three factors are most likely to influence you to independently change wholesalers?

RANK		%
1.	Help in countering competition from new, larger, price-aggressive stores	58.8
2.	Merchandising/ad/promo support	38.8
3.	Timing and frequency of deliveries	21.2
4.	Financial assistance	20.0
5.	Technical support systems (scanning/DSD/microcomputers)	19.4
6.	Market research/competitive intelligence	17.6
7.	Help in establishing new store formats	15.0
8.	New store development (site selection/layout)	13.3
9.	Private label/generics programs	8.5
10.	Service department programs (deli-bakery)	7.3
11.	Help in training store personnel	3.0

FOOD CENTER

There is some correlation—but not much—between what wholesalers are trying to improve and what would cause independent retailers to switch wholesalers. Independents consider a wholesaler's aid in countering aggressive competition to be of primary importance. Wholesalers list this as second. Wholesalers' first choice for improvement—technical support systems—gets a fairly modest ranking from independents. And where independents place a great deal of importance on timing and frequency of deliveries, wholesalers, to judge by their ranking of this, seem to think everything is under control.

Continued from page 19

Wholesalers also name areas in which they are making a special effort to improve. As a counterpoint, retailers list what factors would most likely influence them to change wholesalers. There are some wide differences in relative importance.

Wholesalers report that the factor that most are making an effort to improve is "technical support systems," cited by almost 65 percent. But retailers rate this relatively low as a factor that would cause them to change wholesalers. Larger store operators (those with a single store doing over $5 million annually) named this nearly three times as often as smaller store operators.

What would really make the operators switch are "help in countering competition from larger, price-agressive stores" (58.8 percent), and "merchandising/ad/promo support" (38.8 percent).

"Timing and frequency of deliveries," and "financial assistance" are rated about equally high by independents, but relatively low by wholesalers as factors that might make an independent switch.

The questionnaire also included some open-ended questions, whose responses have been quantified:

"Other than those mentioned, what areas are becoming more critical in the wholesaler/independent relationship?"

"What is the greatest single problem or threat facing independents (wholesalers) in 1985?" Wholesalers also give their opinions on what makes an independent operator switch wholesalers.

Retailers most often cite prices and costs as factors becoming more critical in the wholesaler/independent relationship. "Personal relations, service and communications" are listed next. While wholesalers confirm that prices and costs and the quality of personal relations could turn independents away from them, they place a comparatively greater premium on lack of leadership in developing full-service programs as a potential turnoff for independents. Retailers, on the whole, are much more interested in service levels, out-of-stocks and merchandising/ad/promo support.

Responses to the question about "the single greatest problem or threat" facing independent grocers, or facing wholesalers, in 1985 reveal new insights into how independent retailers and wholesalers feel about the present and the future of independent grocery retailing and grocery wholesaling.

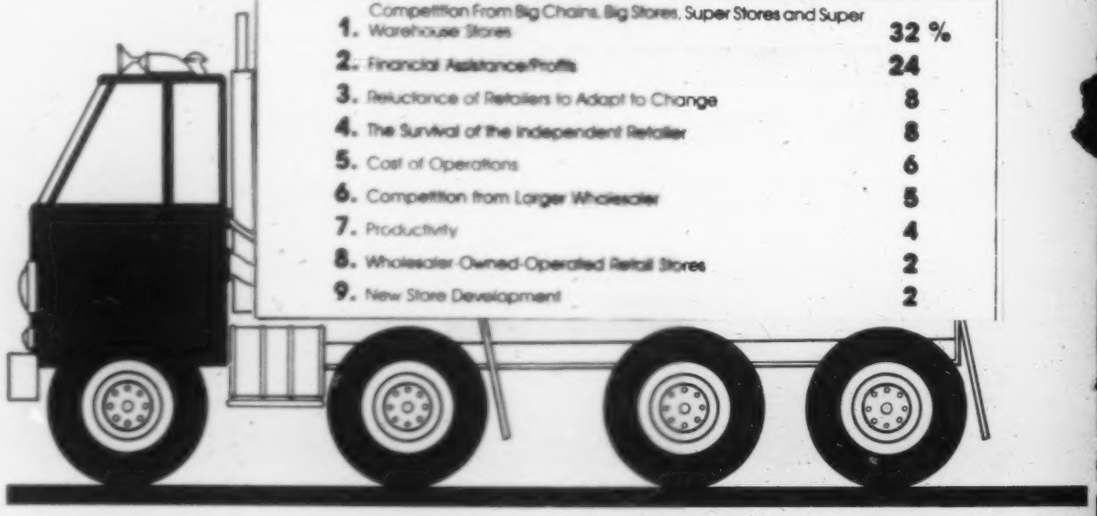
Topping both lists is "competition from big chains, big stores (both super and super warehouse)." Nearly half of all independent retailers mention that this kind of competition is their biggest threat, while 32 percent of wholesalers mention the same problem. Sales, profits and financial problems quite naturally follow in

Replies tally more than 100% since some respondents gave more than one answer

ASKED OF **WHOLESALERS**

In 1985, what is the greatest single problem facing wholesale grocers like yourself?

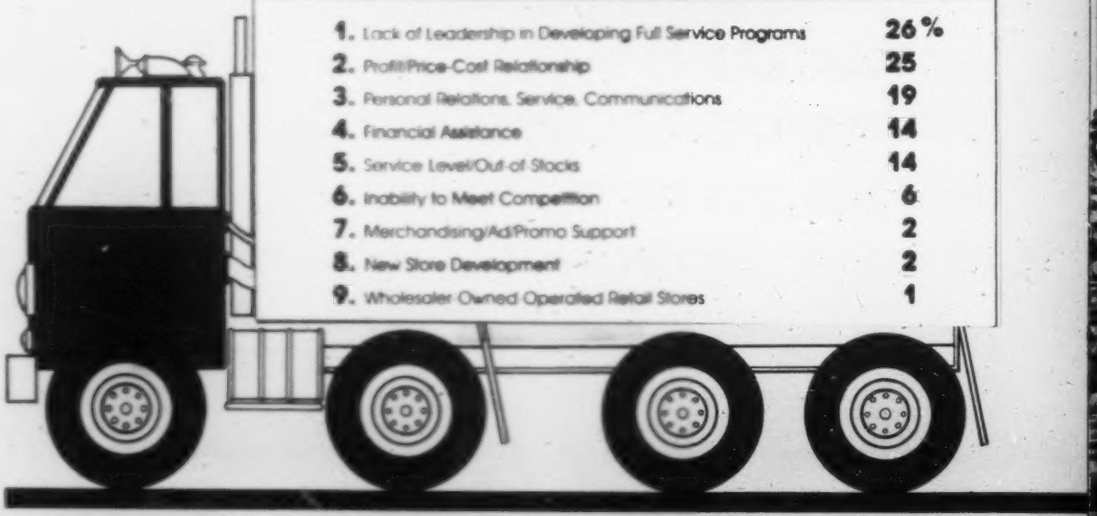
1.	Competition From Big Chains, Big Stores, Super Stores and Super Warehouse Stores	32 %
2.	Financial Assistance/Profits	24
3.	Reluctance of Retailers to Adapt to Change	8
4.	The Survival of the Independent Retailer	8
5.	Cost of Operations	6
6.	Competition from Larger Wholesaler	5
7.	Productivity	4
8.	Wholesaler-Owned-Operated Retail Stores	2
9.	New Store Development	2



ASKED OF **WHOLESALERS**

From your observations, what single factor is most likely to cause a retailer to consider shifting to a new wholesaler?

1.	Lack of Leadership in Developing Full Service Programs	26 %
2.	Profit/Price-Cost Relationship	25
3.	Personal Relations, Service, Communications	19
4.	Financial Assistance	14
5.	Service Level/Out-of-Stocks	14
6.	Inability to Meet Competition	6
7.	Merchandising/Ad/Promo Support	2
8.	New Store Development	2
9.	Wholesaler-Owned-Operated Retail Stores	1



importance for both groups. Third on the list of wholesaler responses is a very serious problem, and one that will probably require considerable study: the reluctance of retailers to adapt to change. This is followed by concern for the actual survival of the independent retailer.

The wholesaler clearly understands that his base of retail customers is threatened. Yet both groups also agree that there is even greater need for improved communications and personal service than ever. ■

In the SUPERMARKET BUSINESS/NAWGA survey reported on here, 438 questionnaires were mailed to the NAWGA membership and a 19.6 percent response was received. In the mailings to 1,485 independents, a 19.7 percent response was received, including 102 members of voluntaries, 162 members of co-ops, and 28 unaffiliated independents. Replies of independents were further classified as, at store of receivership, those under $5 million and those over $5 million in annual sales.

SUPER

ASKED OF **RETAILERS**

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

1.	Competition From Big Chains, Big Stores, Super Stores and Super Warehouse Stores	49 %
2.	[illegible]	11
3.	Financial Assistance	6
4.	[illegible]	4
5.	Union/Labor Problems	3
6.	[illegible]	3
7.	Wholesaler-Owned-Operated Retail Stores	2
8.	[illegible]	1

Overwhelmingly, retailers and wholesalers agree that the biggest problem facing them is competition from large chains and super stores. The two groups also agree on the problem of solvency and financial assistance. Wholesalers note that one problem that concerns them and, ultimately, their customers, is the reluctance of retailers to adapt to change. Retailers, for their part, do not mention this here.

SUPER

ASKED OF **RETAILERS**

What areas do you find becoming more critical in the wholesaler-independent relationship?

1.	Profit/Price-Cost Relationship	21 %
2.	[illegible]	17
3.	Service Level/Out-of-Stocks	10
4.	[illegible]	10
5.	Inability to Meet Competition	9
6.	[illegible]	7
7.	Financial Assistance	4
8.	[illegible]	3
9.	New Store Development	2

There is a great disagreement here on what wholesalers and retailers think is the most critical part of their relationship. Wholesalers say that a lack of leadership in developing service programs would lead retailers to switch. But retailers, judging from these results, don't value that as highly as profit/price/cost relationships and personal relations and communications. Wholesalers also consider these important.

QUOTES

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

"Too much competition. The problem for us is managing to survive with the expanding competition. In my area, there's been a lot of new construction of warehouse stores. We're fairly close to Akron, where there's a price war going on. What can you do? Try to run a clean store, keep our prices as low as we can, try to cater to the customer with service. The wholesaler can help to an extent—can provide us with different buys—but when the competition's selling everything at half of what you're selling it for, it's tough.

"We're surviving. In fact, our sales are up. But you're going down Main Street, doing fine, and they get you in some side street. In our immediate area, there's a 50,000-square-foot warehouse store, a 50,000-square-foot combo store, and we're sitting here with a 36,000-square-foot store. Two years ago, a 24,000-square-foot Fazio's went out of business and then reopened as an independent. They went bankrupt. An IGA closed. A new Kroger closed after one year. Around here, business moves fast."

—A retailer in Ohio

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"Credit problems. We're constantly having to help finance. For example, if we have a good customer who's been with us 20 years, and he wants to sell his business and retire, most frequently we have to help someone buy him out. So we're up to our neck with a lot of credit from situations like that. We try to go through a bank where we can, but sometimes we have to make the loan here at the warehouse."

—A wholesaler in Arkansas

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

"Competition from the chain stores. We've got one chain pushing its 10,000 everyday low prices; two other chains now also are advertising 10,000 everyday low prices. We're really getting the squeeze put on us.

"All of the fun has gone out of it. You don't mind putting up with the headaches and the disappointments when you're making a little money, but I tell you, when the money gets to be just passing through here it just gets plain on your mind.

"When you're kind of small to start with, it's kind of hard to fight them off. My wholesaler is pretty good sized, but it doesn't have the buying power of these big boys."

—A retailer in North Carolina

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"Lack of capital to assist retailers with larger stores. I just can't see why all these big businesses are slushing their money in here, because it's breaking all the little ones, or they're pulling out and not fighting it."

—A wholesaler in Arkansas

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"Insufficient finances. In our size of operation, it's hard for us to get the financing to do what we have to do and it's also hard for our customers to get the financing to do what they have to do."

—A wholesaler in West Virginia

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

"Super warehouse stores. We were affiliated with a wholesaler as an independent, and we had six stores in the area. Then they chose to go off on a different tangent and build their own stores. So now, I have three stores and we are no longer affiliated with that wholesaler."

—A retailer in Wisconsin

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"The area economy and changing store formats. Our members can't keep up with the overall trend toward larger stores and more warehouse stores. As for the area economy, we depend very heavily on agri-

culture in our marketing area, and the economy in this area is probably trending behind the economy nationally. Though interest rates are coming down, farmers are still hard hit. People are more price-conscious. Retailers are under pressure to offer greater ad markdowns and to increase sales."

—A wholesaler in Kansas

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"The wholesaler's personal contact with the stores is more and more important today. With the economy in the position it's been in the last few years, smaller independents, which don't have a large number of stores, have a harder and harder time being able to keep up with modern supermarket technology. In terms of financing, there's less room for air. Larger stores and chain stores come in and spend millions of dollars, which we don't have.

"You need a good wholesaler-retailer relationship to develop new programs. If you don't work together, the independent will become a thing of the past. You'll wake up one day and find you're out of business.

"In addition, the wholesaler should fill the individual store's needs as far as advertising. That's the independent's number one expense after labor, which we are able to keep below that of most of the chains.

"Retailers also need seminars on how to initiate new programs—produce, meat, deli—which are becoming big. We need our wholesalers to come into the store and discover our needs on an individual basis. Do you need more space for such an item? Should you carry a particular product line?

"I have two wholesalers, the best of two worlds. One is a small, independent, family-owned operation. The other is much larger. The large one has a tremendous amount of programs that can help the independent. They don't furnish quite the personal contact the independent wholesaler gives us. Wholesalers really can help you to keep up to date.

"In our town there's not too much competition. But we're near to larger towns and there's a four-lane highway that goes right past us. We have to keep ahead. We've added on to the store two times, added a deli-bake, bought property around us. There are many other small businesses around town that have died. This means that we have to serve our customers not just from a grocery standpoint but in terms of many other areas. This should be the wholesaler's number one priority: they must not just supply you with product, but with all the other programs that you need to keep in business."

—A retailer in Indiana

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Complacency. Retailers don't want to do anything on their own. They really don't want to initiate anything. They want to wait things out, thinking it will get better. We have one retailer who isn't really lazy, but he doesn't come to our seminars—he just doesn't join in. But he's been lucky. He's just in the right location, where a competitor hasn't come in and beat the heck out of him. He does have a competitor, but fortunately, he's lazy too. He could decide to change things and end up being number one."

—A wholesaler in North Dakota

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"The personal touch is almost gone. They switch personnel around constantly. You just learn to know who the field reps are and they'll switch them someplace else. They switch the department heads, the buyers. Part of it is aggressiveness, and part of it is some reason I don't know. I remember the days when you really got to know the people from the wholesale house."

—A retailer in Indiana

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"It is important to provide retail accounting services, inventory services, price file services and computer backup. These are the services that retailers need, but they often don't have the ability or the dollars to do for themselves. Both service and pricing are important, but price is becoming less important.

"The problem of apathy is big. On the West Coast, there are very few independents left. More and more, it's just the big chains. And there is a lot of apathy on the part of independents. To a great degree, the independents are not aware of everything that is going on in the trade. Their business is just a cash cow, and they are milking it until it is dry. Instead of trying to perpetuate the business, they are simply selling it and disappearing. These businesses are not being passed on to a new generation.

"We're trying to fight this apathy. But the odds are against us."

—A wholesaler in California

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Programs for the good of employees. I'd like to see programs like insurance and retirement plans—that's what I think it will take to keep employees."

—A retailer in Tennessee

You can have all the service programs you want, says a wholesaler, but if retailers aren't making profits—they're going to switch.

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Help and training in the area of employee development and personnel policies. This is coming from two facets. First, we're dealing with larger independent stores now than we used to, and they have anywhere from 40 to 80 employees. The needs of these kinds of operations are different (from those before). And a lot of these independent retailers have grown up from small stores and they run into trouble. They need to know how to develop good employees, good department managers, good store managers. Five years ago, we were running seminars on how to control your labor and how to control your costs. Well, we're still running those, but we're also running programs on how to train checkers and stock people, and a whole range of supervisory training programs.

"Second, there have been changes in the way the law looks at employer-employee relationships, and the retailers need to know what they can do and what they cannot do. We help them develop policies and develop personnel policy manuals that deal with such things as sexual harassment. The business is larger now, and it is much more complicated."

—A wholesaler in Montana

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Treating the independent as a customer. Instead of being a customer to the warehouse or supplier, we're considered a pest (when we call to correct an error). How do we treat our customers at the retail level? That's how we should be treated at the wholesale level."

—A retailer in Minnesota

What single factor is most likely to cause a retailer to consider shifting to a new wholesaler?

"Our philosophy is that we are in a service business. We have to be service-oriented toward our customer and we have to be faster than ever before. Price is an important commodity these days, but service often gets lost in the shuffle. We know that it is extremely important for our customers to be able to say, 'They take care of you.' Too often doing business today is cold and abrupt."

—A wholesaler in Wisconsin

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Assistance from a good sales service rep. I used to be a district manager with Safeway, and I was used to their type of operation. I feel that the wholesalers, with all their resources, could give us a better idea of what's new and different.

"This town is out away from anything of any size. You can get stranded out here and lose touch with anything that's going on. That's the kind of touch I like from a sales service rep—someone who'll keep you informed. We don't see many brokers or manufacturer's reps out here, so we have to rely on the sales service rep to keep us abreast of what's happening."

—A retailer in Kansas

What single factor is most likely to cause a retailer to consider shifting to a new wholesaler?

"Outs and deliveries. If the retailers are not getting the product, they're out of business. High outs and not getting product when he wants are very upsetting to a retailer."

—A wholesaler in Arkansas ■

SAMI UPDATE:
HBA Sales in 1984 Sluggish, But There's Hope for the New Year

BY ALAN MILLER, JR.

It wasn't a banner year for HBA products in 1984, although volume rose a little bit. It seems 1983 was a tough year to follow. The new year should do better.

It seems as if we have been pulling down the curtain on 1984 for ages, but now that we have the SAMI figures for the period ending Jan. 4, 1985, this will be the last time we will bid adieu to a year that did not continue the bullish HBA trends we witnessed in 1983. In all 50 HBA categories measured by SAMI combined, 52-week unit volume through food stores rose 1.5 percent, thanks to volume recorded early in the year, but there were losses of 0.1 percent for the 12-week interval and 0.2 percent for the 28-day reporting period, which included four days in the new year.

The minimal loss in the four-week period should be compared to trends in other product departments. The performance of health and beauty aids products is not all that bad, since four-week unit volume fell 0.4 percent for dry grocery: non-food 2.7 percent for dry grocery: food and 1.3 percent for frozen foods—or a loss of 1.6 percent for all product departments combined. The only gain was registered by refrigerated foods, which enjoyed a unit volume increase of 1.4 percent. So the picture isn't so bleak after all for HBA items, and we all know that misery loves company.

The reasons for general weakness in food store sales are not clear-cut. The fact that many consumers are paying more for high-priced items and buying less of commodity goods may help to explain some of the tonnage losses. In addition, there has been an increase in out-of-home eating for two years, and this may have resulted in fewer trips to food stores and less impulse purchases of a wide variety of products. The favorable economic climate we have been enjoying of late may have been responsible for greater purchase selectivity.

Getting back to the study of HBA unit volume trends during the reporting period ending Jan. 4, 1985, we see that gains and losses by product group are evenly matched. There were four with gains: deodorants (+2.9 percent), first aid (+1.3 percent), hair care needs (+4.6 percent), and proprietary remedies (+1.9 percent). At this category level of measurement, the score is 21 plusses and 29 with minus volume compared with the corresponding period a year ago. The highest growth rate once again came from hair setting needs, as hair styling mousse products continued to proliferate and flourish.

Another perennial winner is the eye care products category, where the continuing growth of contact lens products, in particular, has expanded the category consistently and the current four-week rate of increase was 20.8 percent. The only other double-digit gain rates came from hair sprays (+15.0 per-

Drawings by Al Nanno

cent), breath fresheners (+13.8 percent) and sleeping aids (+12.8 percent). There were eight categories with four-week unit sales declines in excess of 10 percent, but in some cases these losses occurred in small volume categories such as proprietary tranquilizers (−20.6 percent), razors and blades (−11.1 percent) and suntan lotion-suntan oil (−29.0 percent).

In the baby needs product group, the only gain was a 4.8 percent jump for nursing supplies, which has had increased volume as a result of sales increases for the Gerber Nuk line. On the other hand, volume of infant clothes fell 10.9 percent and there was a loss of 8.4 percent for baby oils, creams & lotions.

Sticks up

Among deodorant categories there were four with gains and four with losses, but as a result of a jump of 9.9 percent in the highest volume category—stick deodorants and pads—the gains outweighed the losses and the product group as a whole was able to accomplish an increase amounting to 2.9 percent. The growth among stick deodorants came at the expense of creams (−8.0 percent), deodorant and talcum powders (−9.1 percent) and sprays (−1.2 percent).

In the first aid product group, both categories exhibited growth: 5.8 percent in the case of antiseptics and 0.3 percent for first aid products.

The strongest growth of any HBA product group was found among hair care needs, which rose 4.6 percent. This upward thrust was aided by the upsurge of 539 percent contributed by hair styling mousse products and an increase of 15.0 percent for hair sprays, aided by the national roll-out of Finesse and the introduction of Atune by Helene Curtis. There was a decline of 13.5 percent for home permanent kits and a loss of 2.2 percent for the high-volume shampoo category.

The only plus sign recorded in the oral hygiene product group was an increase of 13.8 percent for breath fresheners. Due to the limited size of this category, the gain does not lead to many additional sales dollars. Sales of toothpaste and powder continue to falter in spite of important inroads made by the pump dispensers. Toothbrush volume fell 7.0 percent while losses of lesser magnitude were seen in the case of denture cleaners (−2.6 percent), denture adhesives (−2.1 percent) and mouth wash—off 1.3 percent.

Proprietary remedies

Sales of proprietary remedies returned to the plus column due to vitality among cold tablets (+5.7 percent), sleeping aids (+12.8 percent) and eye care products (+20.8 percent). There were gains of 2.8 percent for cough remedies, reversing a period of sales declines, and internal analgesics remained strong as a result of performances by three new entries, Advil, Nuprin, and Encaprin. The only loss of any consequence was a 24.4 percent decline for appetite suppressants. This loss may be attributable to cannibalization by diet foods such as the Carnation weight reduction plan and a wide variety of sugar-free food products.

The shaving needs product group continues to be weak, and in the current four-week period the only gain was 5.9 percent in the relatively low volume pre-shave lotion category. The loss rate amounted to 29.3 percent for shaving creams and this fell-off can be attributed, at least in part, to the two-for-one deals by Edge earlier in the year. Razor blade unit volume fell 6.7 percent and there was a loss of 3.5 percent in this category on a 52-week basis. Sales of razor sets declined 11.1 percent, continuing poor performance as a result of an absence of important new product activity in this category.

Finally, we note that there is weakness in the skin care aids product group. Currently only one category—facial preparations shows a loss on an annual basis. In the four-week period under scrutiny, the only gain was evidenced in the cosmetic and medicated skin aids category where the increase was 0.9 percent, or less than one percent. The 10.7 percent loss for lip care products reverses a favorable trend that caused a 12-week gain of 5.1 percent and a 7.8 percent improvement for the full year. A negative trend reversal was also found among hand-body creams & lotions, where the gain of 1.6 percent for 12-weeks and 6.7 percent for 52-weeks has now turned to a loss of 6.6 percent in the four week interval.

That wraps up 1984. The negative trends seen in the final months of the year will help make gains in the comparable 1985 reporting periods easier to come by. 1983 *was a* tough act to follow, as things turned out. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

	% CHANGE VS. YEAR AGO		
PRODUCT GROUP AND CATEGORY	4 WEEKS ENDING 11/9/84	4 WEEKS ENDING 12/7/84	4 WEEKS ENDING 1/4/85
BABY NEEDS	**− 2.0%**	**− 0.1%**	**− 3.1%**
Baby Powders	− 1.2	+ 0.1	− 0.6
Baby Oils, Creams & Lotions	− 5.6	− 0.3	− 8.4
Infant Clothes	− 7.0	− 9.8	−10.9
Nursing Supplies	+ 2.9	+ 2.8	+ 4.8
DEODORANTS	**+ 0.9%**	**+ 2.9%**	**+ 2.9%**
Sprays	+ 2.4	+ 0.6	− 1.2
Roll-On	+ 2.3	+ 7.6	+ 1.0
Stick Deodorants & Pads	+ 2.1	+ 4.5	+ 9.9
Creams	−10.5	− 9.7	− 8.0
Deodorants & Talcum Powders	− 7.0	−12.1	− 9.1
Feminine Hygiene Deodorants	− 9.9	− 9.3	− 6.8
Foot Deodorants & Athlete's Foot Remedies	− 3.4	+ 0.5	+ 5.4
Feminine Douches	− 1.8	+ 1.1	+ 2.4
FIRST AID	**− 4.2%**	**+ 0.9%**	**+ 1.3%**
Antiseptics	+ 1.4	+ 3.1	+ 5.8
First Aid Products	− 5.6	+ 0.4	+ 0.3
HAIR CARE NEEDS	**+ 5.1%**	**+ 4.2%**	**+ 4.6%**
Shampoos	+ 1.9	− 1.6	− 2.2
Hair Sprays	+ 5.1	+11.1	+15.0
Hair Conditioning Rinses	− 4.0	− 4.9	− 3.2
Hair Setting Needs	+571.3	+622.9	+538.7
Home Permanent Kits	− 5.4	−14.9	−13.5
Hair Coloring	+ 3.5	+ 0.8	+ 0.3
Hair Dressing Needs	− 4.0	− 3.1	+ 1.3
ORAL HYGIENE	**− 1.7%**	**− 0.6%**	**− 2.4%**
Toothpastes & Powders	− 3.2	+ 0.2	− 1.9
Mouthwashes	+ 6.4	− 4.2	− 1.3
Breath Fresheners	+ 5.0	− 1.1	+13.8
Denture Cleaners	− 2.6	− 1.7	− 2.6
Denture Adhesives	+ 1.4	+ 1.6	− 2.1
Toothbrushes	− 5.4	+ 0.8	− 7.0
PROPRIETARY REMEDIES	**− 3.2%**	**+ 1.0%**	**+ 1.9%**
Antacids	− 2.0	− 2.5	+ 0.1
Internal Analgesics	+ 2.1	+ 5.0	+ 3.1
External Analgesics	− 5.6	− 1.9	− 3.0
Cold Tablets	+ 3.9	+ 6.7	+ 5.7
Nasal Sprays—Drops—Inhalers	−10.5	− 0.5	+ 1.1
Chest Rubs	−15.5	− 1.9	− 2.9
Cough Remedies	−11.6	− 1.1	+ 2.8
Laxatives	− 0.1	− 0.7	− 0.5
Sleeping Aids	+13.5	+15.8	+12.8
Tranquilizers	−24.2	−24.2	−20.6
Vitamins	−13.4	−11.0	− 9.6
Eye Care Products	+18.7	+19.7	+20.8
Appetite Suppressants	−10.9	−17.9	−24.4
SHAVING NEEDS	**− 6.4%**	**− 6.3%**	**−12.9%**
Shaving Creams	− 5.6	− 8.3	−29.3
Pre-Shave Lotions	− 6.1	+ 1.8	+ 5.9
After-Shave Lotions	−10.2	− 1.4	− 0.8
Razor Blades	− 6.2	− 6.2	− 6.7
Razors & Blades	−10.1	−13.9	−11.1
SKIN CARE AIDS	**− 2.2%**	**+ 7.0%**	**− 6.5%**
Hand & Body Creams & Lotions	− 0.7	+12.6	− 6.6
Facial Preparations	−13.2	− 9.7	− 8.8
Lip Care Products	+10.0	+23.1	−10.7
Suntan Lotions & Oils	− 7.0	−37.9	−29.0
Cosmetic & Medicated Skin Aids	− 2.7	− 0.4	+ 0.9
TOTAL ALL CATEGORIES	**− 1.4%**	**+ 1.1%**	**− 0.2%**

APR

1985

C 3475-1

SUPERM BUSIN

ALSO IN THIS ISSUE
INSTORE BUSINESS*
NONFOODS BUSINESS*
*In Selected Editions Only

$3.50
ER COPY
3 PARTS

ATLANTA
A Market
WH
A SHAKE-U
IS COMI
SUPERFOODTOWN

PUBLISHER:
Jeffrey A. Schaeffer

EDITOR/ASSOCIATE PUBLISHER:
Kenneth P. Parich

SENIOR EDITOR:
Douglas T. Harris, Jr.

MANAGING EDITOR:
Robert J. Hughes

ASSOCIATE EDITORS:
Kevin Coupe
Marianne Skoczek

EDITORIAL ASSISTANT:
Caroline Craig

ART DEPARTMENT:
Karen Sockler

INSTORE BUSINESS/SPECIAL PROJECTS CONTRIBUTING EDITOR:
Robert F. Dietrich

CONTRIBUTING EDITORS:
Meat: **Kenneth Johnson, John Francis**
Produce: **Barney H. McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **S.S. Filippone**

CIRCULATION DIRECTOR:
Virginia Bucci Posner

PRODUCTION MANAGER:
Dorothy Gardner

DIRECTOR OF PUBLICATION RESOURCES AND RESEARCH:
Norman Bussel
914-528-1369

CORPORATE MARKETING SERVICES DIRECTOR:
Carol Fensholt

ADVERTISING SALES:

EAST:
SOUTHEAST REGIONAL SALES MANAGER:
Peter Beyrent

NORTHEAST REGIONAL SALES MANAGER:
Jerry Whitman

EAST COAST SALES MANAGER:
Maggie McAleer

Fieldmark Media, Inc.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036

CHICAGO:
MIDWEST DIVISION SALES MANAGER:
Dave Wishard

MIDWEST REGIONAL SALES MANAGER:
George Stevens

Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318

WEST COAST:
Sue Marritt

Fieldmark Media, Inc.
16133 Ventura Blvd., Suite 700
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169

PRESIDENT:
Jeffrey A. Schaeffer

VICE PRESIDENT, FINANCE:
Eric Braunstein

VICE PRESIDENT, ADMINISTRATION:
Catherine Cahill

VICE PRESIDENT, EDITORIAL:
Kenneth P. Parich

AFFILIATED PUBLICATION:
Milling & Baking News
Kansas City, Mo.

COVER:
Photograph of Atlanta courtesy of Atlanta Convention & Visitors Bureau

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: 212-354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $35 per year; Canada, $40 per year. Foreign subscriptions $48 (seamail), $198 (airmail), per year. Single copies $3.50 except Consumer Expenditures Study (September issue) $20 per copy. (Discount prices available on multiple purchases.)
Copyright © 1985 Fieldmark Media, Inc. All rights reserved.
Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

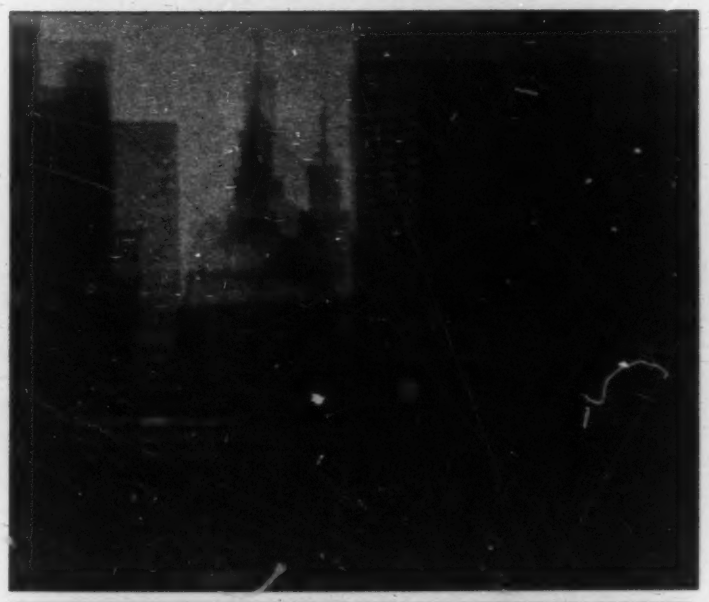
SUPERMARKET BUSINESS

PART ONE OF THREE PARTS

VOLUME 40
NUMBER 3
APRIL 1985

ATLANTA: A MARKET IN FLUX. WHY A SHAKE-UP IS COMING 21
A STAFF REPORT

The city of Atlanta was built for an invasion of super stores, what with its good, and growing, highway system and its expanding population. Some people call Atlanta "a hotbed of non-price competition." Maybe the opening of Cub Foods in May will light a fuse under this market.



INSTORE BUSINESS* FACING PAGE **26**
CANNY NEW WAYS OF DIRECTING TRAFFIC FLOW/BOB DIETRICH

IRRADIATION: EVERYTHING YOU WANTED TO KNOW, BUT DIDN'T KNOW WHAT TO ASK 29
MARIANNE SKOCZEK, ASSOCIATE EDITOR

Although the process known as irradiation—using low-level energy to retard spoilage of foods—has been around for a long time, it's coming under intense discussion now.

'THANK YOU FOR BUILDING THIS STORE!'/CAROL FENSHOLT 35

This new Foodtown in Toms River, N.J., is giving its customers just what they want: service departments, brand-name specials and a small-town "family" feeling, all in a 74,000 square foot facility.

TOYOS SUPERMARKET: AN ENTREPRENEUR IN THE BATTLE ZONE/KEVIN COUPE, ASSOCIATE EDITOR 39

Jose Toyos, a Cuban immigrant with long experience in food marketing, has developed a thriving business in the Bridgeport, Conn., urban enterprise zone.

NONFOODS BUSINESS* FACING PAGE **42**
THE INS AND OUTS OF SEASONAL MERCHANDISING/DOUG HARRIS, SENIOR EDITOR

CHECKOUT: FOR JOE AZZOLINA, IT'S BOTH BUTTER AND BATTLESHIP/CAROL FENSHOLT 50

Food Circus Supermarkets owner Joe Azzolina is also a Reserve Naval Captain. His memorable stint aboard the *U.S.S. New Jersey* when it saw action off the coast of Lebanon coincided with the building of Joe's newest Foodtown

OTHER FEATURES AND COLUMNS

EDITOR'S VIEW 5
WASHINGTON BRIEF 7
TRADESCAN 11
TECHNOLOGY 17
ON MARKETING 26
PRODUCE 43
EXECUTIVE MOVES 47
CALENDAR 49

*In selected editions only

TRADESCAN

The new image is a high-tech design that uses dramatic graphics and a red-and-white color scheme to create a sense of warmth.

Safeway Puts On a New Face This Year

OAKLAND Calif.—One hundred Safeway stores, both new and old, are putting on a new face during 1985.

The chain, with 2,012 Safeway stores in the United States and Canada, will begin a massive design and fabrication project which is aimed at refurbishing not just the chain's physical presence, but it's psychological image in consumers' minds.

"We are trying to deviate from the old type of supermarket interior," said Earl Amis, head of Safeway's design services section. "We want a contemporary interior, one that will project the kind of image that we believe will be good for our operators and our customers." Amis said that the 100 stores featuring the new image in 1985 will be an undetermined combination of new stores and remodelings; the extent the chain will go to in remodeling its entire fleet of stores is undecided at this time, he said.

The new Safeway image will be based largely on a pilot design project the chain instituted during 1984

A new image.

in five stores—four in Canada, one in Albuquerque, N.M. While those five stores are warehouse stores, the 1985 plans are to take the essentials of their design and "gear the concept down" for smaller store types, according to Patricia L. Missad, vice president of design for Jarob Design, Inc., the Grand Rapids, Mich.-based graphic design and manufacturing company contracted to develop and implement the new design package.

"We are endeavoring to give Safeway a whole new environment and a whole new image that will gear attention to the merchandise," said Missad. "They want to let people know that they are not the stodgy old Safeway, and they want to get back to the leading edge of the market."

The leading edge—as Safeway defines it and as Missad interprets it—is a new high-tech design that uses dramatic graphics and a red-and-white color scheme to create a sense of warmth. "It is not so high-tech that it is forbidding," said Missad. "It has a lot of warmth and is real comfortable."

The stores feature a continuous photo mural that circles the top of the store, with pictures appropriate to perimeter departments. Ceilings are dark, in many cases with ductwork showing to present the image of a warehouse store. Missad said that Safeway is beefing up its service departments, with service deli, meat and fish departments, plus scratch bakeries and pharmacies, wherever possible. ■

FMI Will Hold Conferences On Warehouses, Deli/Bakeries

WASHINGTON—As part of its ongoing member education program, the Food Marketing Institute (FMI) has announced agendas for two upcoming events.

April 9-10 in Milwaukee, Wis., FMI will conduct its annual two-day conference focusing on trends and developments, site selection, buying strategies and other areas of warehouse store operations. The conference is designed for both owners and representatives of companies that are either considering or already operating a warehouse store and those that are competing with a warehouse store. Scheduled speakers include: Vince Little, president and CEO of Roundy's, Inc. (Milwaukee); John Lightfoot, editor of Supermarket Insights; Tom Stemberg, marketing consultant; Jim Sheridan, president of Sheridan's ShopRite (Milwaukee) and Victor DeStefani, president of Vic's IGA Market (Sacramento, Calif.).

The Supermarket Deli/Bakery Merchandising Workshop will be held June 3-4 in Cincinnati in conjunction with the International Deli/Bakery Assn. Workshops are designed for deli/bakery department managers, regional merchandisers, store managers, corporate deli/bakery management personnel and independent owner/operators.

For further information on either or both events, contact Karen Ribler, Education Manager, FMI, 1750 K St., N.W., Washington, D.C. 20006. ■

New Product Introductions Average Two Per Day

NEW YORK—New product introductions by food manufacturers have averaged almost two-per-day during the past five years, according to a new report.

The grand total of 3,342 new food products introduced since 1980 reflects an average of 1.8 product introductions per day, with the leading manufacturer, The Campbell Soup Company, bringing out 334 of them, at an average of more than one a week.

The study, compiled by Dancer Fitzgerald Sample/New Product News, counted all new items, line extensions and new flavors or varieties either tested or introduced by the nation's 20 top food product companies during the past five years, according to Martin J. Friedman, editor of DFS/New Product News.

Among the other companies with a high number of product introductions were Nestle with 293 products, General Foods with 279, Beatrice with 234, and Dart & Kraft with 206 new products.

"Most of the companies had one or more $100-million-plus sales successes—Campbell's Prego Spaghetti Sauce, and Le Menu Frozen Dinners; Nestle's Lean Cuisine; General Foods' Pudding Pops, for instance," Friedman said.

"New products continue to represent a challenge to the food companies, but with potential rewards at multi-million-dollar sales levels, we should see no slackening in new product efforts by both the big and small food manufacturers." ■

NEW FOODS REPORTED IN NEW PRODUCT NEWS 1980-1984

	1980	1981	1982	1983	1984	TOTAL
1. Campbell Soup	54	21	77	90	92	334
2. Nestle	86	59	52	33	63	293
3. General Foods	41	59	42	49	88	279
4. Beatrice	20	48	49	79	38	234
5. Dart & Kraft	28	28	48	22	80	206
6. Consolidated Foods	32	48	41	20	49	190
7. Lever/Lipton	29	13	35	72	41	190
8. Pillsbury	35	25	32	43	53	188
9. General Mills	26	26	47	25	51	175
10. H.J. Heinz	32	26	34	27	51	170
11. Borden	15	25	44	35	47	166
12. IC Industries	7	19	30	28	57	141
13. Nabisco Brands	32	18	13	44	33	140
14. R. J. Reynolds	40	14	10	29	32	125
15. Quaker Oats	19	17	21	39	20	116
16. ConAgra	29	12	21	33	19	114
17. Ralston-Purina	13	15	16	15	38	97
18. Kellogg	7	20	22	18	11	78
19. Coca Cola	11	5	19	10	12	57
20. Pepsi Cola	4	7	10	27	1	49
	560	505	663	738	876	3,342

Minyard Expands in Dallas

DALLAS—Minyard Food Stores has opened the second of "at least five" new stores scheduled for 1985, in Pantego, in the Dallas-Fort Worth area. Geared toward middle to high income shoppers, the 46,000-plus-square-foot super combo store features seven full service departments and banking services via the second Fidelity Savings Money Store opened exclusively through Minyard.

"We're going in with everything and the best," claimed J.L. Williams, executive vice president and general manager of Minyard. Best, in this case, includes a 45-item salad bar—featuring such items as popcorn shrimp, soups, hearts of palm and crabmeat—a 178-item bulk and natural foods department and service fish, cheese, deli/bakery and pharmacy sections. The store also includes a service cosmetics department, a new area for Minyard.

Stores planned for 1985 include both Minyard super combos, similar to the Pantego store, and Sack 'N Save superwarehouse stores.

SAMI UPDATE:

HBA Food Store Volume Recovers From Year-End Lethargy

BY ALAN MILLER, JR.

The closing days of 1984 witnessed soft sales in food stores pretty much across the board, including health and beauty aids items, which fell 0.2 percent in the 28-day reporting period that brought the curtain down on the old year. The new year started off on the right track, however, with unit volume rising in all five SAMI product departments during January. The increase in national unit sales of 3.8 percent was second only to the 4.4 percent gain rate for refrigerated foods, in which sales of high volume juice and drink categories continue to soar upward. The turn-around performance behind health and beauty aids sold through food stores represents the strongest showing for these items in many months. Furthermore, the 3.8 percent increase in all 50 HBA categories combined, tracked by SAMI, comes on top of a 2.6 percent gain in January 1984, compared with the preceding year.

Five out of eight HBA product groups registered gains in four-week unit sales movement. Proprietary remedies set the pace among advances with a jump of 9.2 percent. Hair care needs recorded an increase amounting to 5.2 percent. Of the three product groups recording negative trends, the continuing decline of 5.1 percent for shaving needs is the only loss with consistent weakness. This trend may be reversed when Gillette introduces a new razor, as has been reported.

At the category measurement level, there were 28 advances and 22 declines which compares favorably with a score of 21 plusses and 29 negatives in the preceding four-week period. Triple-digit growth is still seen in the hair selling needs category, where the hair styling mousse items are proliferating and flourishing. All four categories of cough and cold products enjoyed double-digit growth rates, led by cold tablets, with an upward thrust of 20.4 percent, and cough remedies forging forward 18.1 percent, or almost enough to bring about an annual sales increase in this beleaguered category. On the loss side of the ledger, the most significant downward trends among high volume categories were found among appetite suppressants (−15.9 percent), spray deodorants (−10.7 percent) and shaving creams (−10.6 percent).

Baby needs

The baby needs product group is still running in arrears, although the loss rate for both the 52-week and four-week period is a miniscule 0.1 percent.

There are eight categories in SAMI's deodorant product group, and they were evenly divided from a plus and minus standpoint. The 10.7 percent loss for spray deodorants reflects competition from stick deodorants and antiperspirants, which now enjoy a commanding lead in number of units sold. Four-week sales of stick deodorants amounted to nearly eight million as compared with 5.1 million for sprays, which formerly held the number one spot. Unit volume declines of less than one percent occurred to cream deodorants and deodorant/talcum powder, while sales fell 7.1 percent among the low-volume feminine hygiene deodorant entries. There was a strong increase of 6.3 percent for feminine douches and a rise of 5.4 percent for foot deodorants and athlete's foot remedies. The deodorant product group as a whole showed a four-week gain of 3.0 percent.

Hair loss

There was only one category of hair care needs with a four-week loss rate, but unfortunately the decline occurred in the shampoo section, which had the second highest four-week unit sales rate of any of SAMI's HBA categories, second only to toothpaste and powder. The block-buster sales gain of 439.7 percent for hair setting needs will assume more modest proportions during the spring months, when year-ago sales of hair styling mousse products will be included in the base period. Hair sprays (+8.6 percent) continued to trend upward although not at the 15.0 percent gain rate observed during the preceding four-week period. Hair conditioning rinses moved back into the plus column with an advance of 1.4 percent and the same was true of home permanent kits, where a four-week gain contrasts with a loss on a 12- or 52-week interval basis.

In spite of the fact that pump toothpastes and gels now account for more than five percent of annual dollar volume, the toothpaste and powder category still has not emerged from the doldrums created when consumers filled their medicine cabinets with deal merchandise. (The same phenomenon is found in the shaving cream category.) However, mouthwash volume is now on a forward-moving streak and gains are also found among breath fresheners (+9.4 percent) and denture adhesives (+1.2 percent).

Cough up

As a result of the impact of strong performance for the cold and flu products, sales of proprietary remedies advanced 9.2 percent and the ratio of category gains to losses stood at nine to four. Part of the drop among appetite suppressants can be attributed to growth among diet products in food categories, particularly such items as the Carnation Do-It-Yourself Diet plan which competes directly with diet products in pill or capsule form. Vitamins continue on a losing streak and the four-week loss rate of 7.3 percent compares with a dip of 9.2 percent for 12 weeks or five percent for the full year. In addition to the cold remedies, there was good sales progress among sleeping aids (+12.9 percent) and internal analgesics (+6.0 percent).

The shaving needs product group remains a trouble spot among health and beauty aids. The only gain during the four and 12 weeks ending Feb. 1, 1985 was for pre-shave lotions. After shave lotions fell 6.3 percent, but there were lower rates of decline in the four weeks versus 12 in the case of shaving creams, razor blades and razors and blades.

Finally, the skin care aids product group enjoyed predominantly favorable sales patterns, particularly lip care products, where new items helped to increase the size of the category 9.7 percent during the four-week period. Facial preparation sales continue to be soft and suntan lotion/oil sales were sharply off, but on a minute volume base during the mid-winter period.

All in all, the year was off to a healthy start in more categories than not. What is needed now in order to assure a profitable 1985 is a little momentum to get things really moving onward and upward. ■

LET TASCO INCREASE YOUR SALES

One of the best ways to magnify your sales figures this year is with Tasco's line of quality magnifiers. Hang them up in your store and see how fast they sell.

Even the most casual browser will be attracted to the bright yellow rainbow blister card and gift box packaging. And the irresistible prices will prompt first-impulse purchases.

Among our complete line of single and bifocal magnifiers are Pocket Magnifiers, Lite-Up designs, Hand-held and Hands-free models to please every consumer.

They hang up. They don't hang around. Start stocking the fast-moving magnifiers from Tasco, makers of quality optical products for more than 30 years. Your customers will be happy to see much smaller print, and you'll be delighted to see much bigger profits.

For more information, contact: Sheryl Rosenfield, Executive V.P. at Tasco, Box 520080, Miami, Florida 33152. Or call (305) 591-3670. In Canada, write Optex Corp., 52 Lesmill Road, Don Mills, Ontario M3B 2T5. Or call (416) 449-6470.

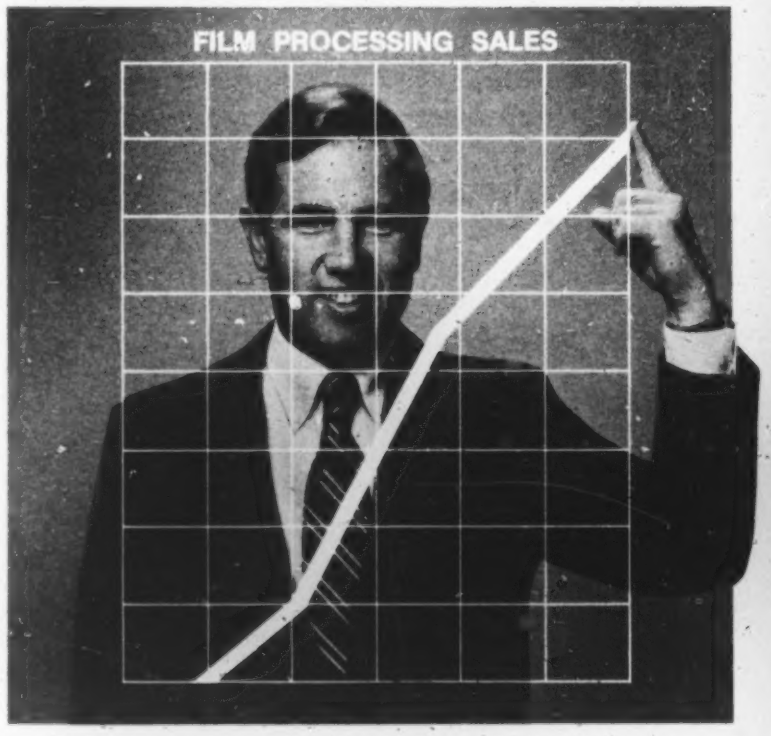
tasco

© 1985 Tasco Sales, Inc., TAD-169-285-TIN

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 12/7/84	4 WEEKS ENDING 1/4/85	4 WEEKS ENDING 2/1/85
BABY NEEDS	**– 0.1%**	**– 3.1%**	**– 0.1%**
Baby Powders	+ 0.1	– 0.6	– 1.6
Baby Oils, Creams & Lotions	– 0.3	– 8.4	– 2.7
Infant Clothes	– 9.8	–10.9	– 5.4
Nursing Supplies	+ 2.8	+ 4.8	+ 6.0
DEODORANTS	**+ 2.9%**	**+ 2.9%**	**+ 3.0%**
Sprays	+ 0.6	– 1.2	–10.7
Roll-Ons	+ 7.6	+ 1.0	+ 2.0
Stick Deodorants & Pads	+ 4.5	+ 9.9	+14.7
Creams	– 9.7	– 8.0	– 0.6
Deodorants & Talcum Powders	–12.1	– 9.1	– 0.8
Feminine Hygiene Deodorants	– 9.3	– 6.8	– 7.1
Foot Deodorants & Athlete's Foot Remedies	+ 0.5	+ 5.4	+ 5.4
Feminine Douches	+ 1.1	+ 2.4	+ 6.3
FIRST AID	**+ 0.9%**	**+ 1.3%**	**+ 1.2%**
Antiseptics	+ 3.1	+ 5.8	+ 9.2
First Aid Products	+ 0.4	+ 0.3	– 0.6
HAIR CARE NEEDS	**+ 4.2%**	**+ 4.6%**	**+ 5.2%**
Shampoos	– 1.6	– 2.2	– 1.2
Hair Sprays	+11.1	+15.0	+ 8.6
Hair Conditioning Rinses	– 4.9	– 3.2	+ 1.4
Hair Setting Needs	+622.9	+538.7	+439.7
Home Permanent Kits	–14.9	–13.5	+ 3.3
Hair Coloring	+ 0.8	+ 0.3	+ 0.3
Hair Dressing Needs	– 3.1	+ 1.3	+ 1.5
ORAL HYGIENE	**– 0.5%**	**– 2.4%**	**– 1.9%**
Toothpastes & Powders	+ 0.2	– 1.9	– 3.0
Mouthwashes	– 4.2	– 1.3	+ 3.6
Breath Fresheners	– 1.1	+13.8	+ 9.4
Denture Cleaners	– 1.7	– 2.6	– 7.5
Denture Adhesives	+ 1.6	– 2.1	+ 1.2
Toothbrushes	+ 0.8	– 7.0	– 2.5
PROPRIETARY REMEDIES	**+ 1.0%**	**+ 1.9%**	**+ 9.2%**
Antacids	– 2.5	+ 0.1	+ 2.4
Internal Analgesics	+ 5.0	+ 3.1	+ 6.0
External Analgesics	– 1.9	– 3.0	– 2.6
Cold Tablets	+ 6.7	+ 5.7	+20.4
Nasal Sprays—Drops—Inhalers	– 0.5	+ 1.1	+11.4
Chest Rubs	– 1.9	– 2.9	+14.4
Cough Remedies	– 1.1	+ 2.8	+18.1
Laxatives	– 0.7	– 0.5	+ 4.3
Sleeping Aids	+15.8	+12.8	+12.9
Tranquilizers	–24.2	–20.6	–22.7
Vitamins	–11.0	– 9.6	– 7.3
Eye Care Products	+19.7	+20.8	+23.1
Appetite Suppressants	–17.9	–24.4	–15.9
SHAVING NEEDS	**– 6.3%**	**–12.9%**	**– 5.1%**
Shaving Creams	– 8.3	–29.3	–10.6
Pre-Shave Lotions	+ 1.8	+ 5.9	+ 2.1
After-Shave Lotions	– 1.4	– 0.8	– 6.2
Razor Blades	– 6.2	– 6.7	– 2.7
Razors & Blades	–13.9	–11.1	– 8.2
SKIN CARE AIDS	**+ 7.0%**	**– 6.5%**	**+ 1.6%**
Hand & Body Creams & Lotions	+12.6	– 6.6	+ 0.5
Facial Preparations	– 9.7	– 8.8	– 3.4
Lip Care Products	+23.1	–10.7	+ 9.7
Suntan Lotions & Oils	–37.9	–29.0	–30.3
Cosmetic & Medicated Skin Aids	– 0.4	+ 0.9	+ 1.9
TOTAL ALL CATEGORIES	**+ 1.1%**	**– 0.2%**	**+ 3.8%**

When stores offer the Berkey Film Processing Program, there's a real Chain Reaction.



Talk to Ed Barker, Berkey's Vice President of Eastern National Sales.

He'll show you how to make your customers repeat, your sales people sell, and your profits grow.

Ed is one of Berkey's experts who will evaluate your market, and create the program you need to build profits and sales. Everything you need to increase your film developing business:

- Marketing and service professionals to create programs, train your personnel, answer questions, and maintain our high standards of quality.
- Special promotion programs to attract upscale consumers. Like helping you cash in on the fast-growing 35mm market.
- Co-op advertising. Plus inserts and coupons designed to build volume. Promotions that turn your stores into neighborhood film developing centers.
- Year-round traffic-building promotions with high-impact, full-color support materials.

If you want to watch your film developing business soar, call the Sales Manager at the Berkey plant nearest you, or Gordon Addington, Senior Vice President, National Sales and Marketing: Berkey Film Processing, 1 Water Street, White Plains, NY 10601. Telephone: (914) 997-9700. Outside NY: (800) 431-2476.

Berkey Film Processing. "Our Pictures Mean Business."

Berkey Film Processing Plants: New York/New Jersey (212) 244-0606 (201) 434-0800 ■ Philadelphia (215) 245-6000 ■ Pittsburgh (412) 281-0114 ■ New England (617) 342-8911 ■ Boston Metro (617) 396-4300 ■ New Haven (203) 787-2138 ■ Chicago (312) 827-6141 ■ San Francisco (415) 873-6060 ■ Los Angeles (213) 634-5831 ■ Phoenix (602) 437-2006 ■ Washington, D.C. (703) 549-7500 ■ Florida: Hollywood (305) 927-8411; Orlando (305) 841-2678 ■ Raleigh, N.C. (919) 821-7846 ■ Columbus, Ga. (404) 682-1652